

**Suggested Remarks**  
**Robert E. Wuertz, Chief, USAID/OEDG**  
**Nationwide Awareness Campaign**  
**on the ADR Act of 2004 and**  
**Its Impact on the Construction Industry**  
**Discovery Suites, Ortigas Center, Pasig City**  
**April 26, 2006, 11:00 a.m.**

Friends and colleagues, ladies and gentlemen, good morning.

I am honored to speak to you all this morning at the closing ceremony of the Nationwide Awareness Campaign on the ADR Law and its Impact on the Construction Industry and the launching of the "ADR Handbook for the Construction Industry." I congratulate the Construction Industry Arbitration Commission (CIAC) and the Council of Engineering Consultants of the Philippines (CECOPHIL) for taking these important steps to promote alternative dispute resolution (ADR) in the Philippines.

Any analysis of the problems facing the courts today will identify the backlog of more than 800,000 cases as a serious impediment to the overall efficiency of the Philippine judiciary. Docket congestion is an enormous problem that effectively denies justice to a substantial proportion of Filipino litigants. It is not uncommon to find cases that remain pending for so long that they are inherited by a succeeding generation of litigants.

The clogging of the court dockets may in fact serve as a deterrent to seek justice for those who feel aggrieved. The slow resolution of their cases may worsen rather than rectify the harm they have suffered. In addition, the painfully slow pace of court resolution could invite corruption that will damage confidence in the judicial system.

USAID has a long history, in collaboration with The Asia Foundation, of working with the Philippine judiciary to improve judicial efficiency. Over the course of that collaboration, we have seen the Philippine government and the judiciary effect several landmark reforms to institutionalize ADR processes as a means of decongesting court dockets and improving the efficiency of the courts. There have been a number of noteworthy achievements.

Under the leadership of the Philippine Judicial Academy (PhilJA), more than 600 mediators involved in the lower courts, the Court of Appeals and the Department of Justice were trained. In 2004 alone, more than 20,000 cases in the lower courts were referred to mediation under the court-annexed mediation program. Of the 7,600 cases that have already completed the mediation process, 82% or more than 6,200 cases were successfully settled. And we understand that the numbers are increasing with its expansion to several areas of the

country and with PhilJA's efforts to sustain its ADR initiatives.

The USAID-funded Legal Accountability and Dispute Resolution (LADR) Project of The Asia Foundation also secured the commitment of 9 leading business organizations to mediate rather than litigate. In this connection, LADR trained more than 100 business mediators and helped establish business ADR units in Metro Manila and other key cities. In a few months of operation, business mediators have mediated 120 cases with a success rate of 89% (107 cases were settled).

The ADR Act of 2004 mandated the use of settlement mechanisms such as mediation, conciliation, arbitration, early neutral evaluation and mini-trial to provide quick and impartial settlements of dispute as well help decongest the dockets.

Since its inception in 1985 via the Construction Industry Arbitration Law (Executive Order 1008), CIAC has

successfully resolved, through arbitration or conciliation, almost 300 construction disputes. The ADR Act also reaffirmed the jurisdiction of CIAC over construction disputes and mandated the referral of all pending cases in courts to the Commission for arbitration. Notwithstanding CIAC's vested jurisdiction and relative promptness and effectiveness in resolving disputes, many Filipinos still prefer to resort to courts. CIAC's full potential to contribute to the decongestion of the courts, therefore, has yet to be fully realized.

We are very hopeful that the awareness campaign we are concluding today and the launching of the handbook will help convince all industry stakeholders, big and small alike, of the value of ADR as an alternative paradigm to traditional litigation.

Consistent with the spirit of the ADR Law of 2004, your aggressive campaign should help fast-track the development of interest among industry players in ADR and spur an increase in the utilization of CIAC for settling disputes.

With the dedication and commitment displayed by CIAC, CECOPHIL and their partner organizations, USAID is confident that ADR in the construction industry will succeed in providing quick and fair settlement of construction disputes, ease the pressure on the judicial system, and contribute to economic development and good governance.

Once again, congratulations to the organizers of this event, and the implementers of the awareness campaign and the publication of the handbook. We look forward to hearing more about your success.

Thank you.